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MEMORANDUM FOR : Chairman, Intelligence Information Handling Committee (IHC)

FROM : John F. Blake
Acting Deputy Director

SUBJECT : Draft DCI Report to the Senate Select Committee on Intelligence on Community Information Handling

REFERENCE : DDC/WH 78-03, 31 January 1978, same subject

1. There has been insufficient time to perform an in-depth review of a report with such far-reaching implications. It is our view that organizational and procedural proposals of this magnitude which have not been developed in collaboration with the members of the Intelligence Community should not be forwarded to a Congressional Committee until they have been thoroughly coordinated with and agreed to by Community members. More time is needed to hear the views of the NFIP member agencies on the actions proposed. Very little of what is set forth in the paper has been surfaced before.

2. We feel that in most respects the report contains a comprehensive and balanced presentation of Community information handling problems, the kinds of systems and data bases being developed and maintained, the undeniable deficiencies in collaborative planning and operation of systems, and the means by which some existing ills might be eliminated, coupled with due warnings about the necessity to weigh the cost-benefits of such approaches and their attendant risks. In principle, its recommendations for new management approaches seem fundamentally sound as well as its proposed missions and functions for the organizations making up the new structure. Some degree of centralized review of the total ADP portion of the NFIP offers the possibility of identifying and possibly eliminating duplicative efforts. A Community Information Systems Office (CISO) makes sense. The paper argues for a plan which identifies needs, describes assets, and relates needs to assets. We agree with this approach. We are not, however, optimistic that the development of a CISO will be easily accomplished. Nor are we certain that anything other than a loosely knit system is needed.

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3. We are concerned that the report tells the Senate Select Committee on Intelligence (SSCI) more than is necessary about the various facets of Community information handling problems, tells its story in too many pages and with undue repetition, and commits the DCI and the CISO (not to mention the NEIB agencies themselves) to an excessively ambitious and detailed set of goals, organizational relationships and controls which may subject us to restraints we will subsequently regret. We believe the paper would be more effective if it were tightened up by removing many of its redundancies and by reducing the number of annexes.

4. We feel it is inappropriate to send an organizational charter (Annex D) to Congress before it has been signed by the DCI. In addition, Community members should fully understand and accept the new CISO responsibilities and activities before that organization's charter is forwarded to the DCI for signature.

5. The covering report and the annexes are inconsistent in some respects. In particular, it is unclear whether the CISO is a staff or a line organization. In Annex C it is more clearly a staff organization performing logical staff functions such as monitoring, reviewing, coordinating, advising, guiding, etc.; while in the covering report and in Annex A, the CISO is depicted as performing line functions such as designing, planning, developing alternatives, etc. The line functions reflected in the report and in Annex A would require an unnecessary duplication of technical staffs of the Community members.

6. We have two additional general criticisms. First, frequent reference is made to the "Community Information Handling System" (CIHS). To the reader there is some suggestion in this that it is one totally integrated system. We do not believe this is the intent, but the implication is dangerous because it seems to promise something that will never be realized. Second, the theme of centralized and coordinated planning and decentralized operation should be qualified. Planning is an activity that must take place at all levels. We do not believe it is intended that planning should be conducted only by the CISO.

7. While our principal concerns relate to the covering report and to Annexes D and E, we feel that Annexes A, B, and C, with certain changes, and Annex F could be forwarded to the Senate as sufficient response to their directive with a brief covering memo stating essentially the following:

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"We know we have problems and have formed an organization to coordinate and monitor ADP activities in a Community context. The situation is described in Annexes A and B, and the charter for the new organization is in Annex C. Details of Agency ADP files and system descriptions are contained in Annex F. We are currently developing procedures for planning and coordinating ADP activities in the Intelligence Community. Our goals for the first year are:

- a. To establish CISO as a central planning organization in February 1979 as a part of the DCI's Resource Management Staff.
- b. To review annual NFIP resource requests and identify ADP-T issues needing DCI resolution.
- c. To begin a formal and continuous dialogue with ADP-T offices in the Intelligence Community as well as program managers to keep abreast of operating systems, systems under development, and new ADP initiatives.
- d. To respond to Congressional needs for ADP-T information as required. To begin identifying and examining major FY 1979-84 issues as previously requested by SSCI.
- e. To undertake selected studies and technical evaluations in problem areas in support of resource management decision making.
- f. To undertake actions to evaluate the feasibility of a 'Community Information Handling System.'

We will report to you next year on our progress."

8. We think the SSCI would be satisfied that such a planning and coordinating body had been established and would accept the need to give that organization time to staff up and determine what the limitations on its assets and programs might be.

9. With respect to Annex F, we have already provided you a new sheet on CIA's ADP costs, using updated figures from the Congressional Budget, and a description of CIA's improved procedures

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for central ADP overview (copies attached). These should be included within CIA's portion of Annex F.

10. Our more specific comments on the report, including the changes which are necessary for annexes A-C, are attached.

/s/

John F. Blake

Attachments:

Comments on Specific Points
CIA Automatic Data Processing Costs Past and Projected
Improved Central Overview of Automatic Data Processing in CIA

Distribution:

Orig - Adse w/att
1 - ADPCI w/att
1 - EP w/att
① - Each directorate ADP control officer w/att

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Attachment

Comment on Specific Points

Executive Summary

- o Para. 1.6--The wisdom of preserving the operation of information handling systems and maintenance of data bases on a decentralized basis, with the CISO undertaking centralized planning and recommending funding levels, is sound. As noted above, however, the planning function must be shared and we assume that the principal initiative for planning new systems will continue to rest with the line organizations who, by virtue of their close contact with the user, will best understand the deficiencies of extant systems and the need for change. Perhaps this point could be clarified.
- o Para. 1.8--Given the schedules imposed by the budget formulation process, it seems unrealistic to propose that the CISO organization, yet unborn, can get underway quickly enough to influence the FY-80 budget plan. Indeed, the CIHS Start-Up Schedule (Fig. 4.1) at the end of the report seems to suggest otherwise.

Report

- o Para. 1.7--Per your instructions, CIA included only those administrative files which could be of possible interest to the Intelligence Community. Our personnel, payroll, and financial files, in particular, were excluded from our submission.
- o Para. 1.12--This discussion of shared data bases seems to suggest that only automated files accessible through remote on-line terminals are shared. Actually there are many additional files shared through telephonic or other means. CIA/OCR, for example, has long provided [redacted] through the grey phone system. Similarly, the AEGIS subject index to Community intelligence reporting is used by many other agencies than CIA, even though only a subset of the file is available for interrogation on-line by other NFIB members.
- o Para. 2.2--The undue emphasis often placed on automation vs. manual processes is wisely avoided here and elsewhere in the report and annexes. As indicated, there must be a careful evaluation of the trade-offs on a case-by-case basis.

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- o Para 2.3--The meaning of the fourth sentence in this paragraph beginning with the words "This system (CIHS) must possess..." is obscure. In addition, it is said here that a CIHS must be developed whereas paragraph 1.8 of the Executive Summary recommends that the CISO should "undertake actions to evaluate the feasibility" (underlining added) of a CIHS. This contradiction should be eliminated.
- o Para. 3.7--An excellent point is made here about the need to approach data base sharing cautiously, with due regard for cost/benefit considerations, and the possible alternatives (e.g., mail systems) to remote querying via telecommunication networks.
- o Para. 3.8--Another commendable cautionary note is expressed about the expense of changing systems in behalf of other users and the assurances needed that the additional resources will be forthcoming before such commitments are undertaken.
- o Para. 3.14--The discussion included here of problems and possible cost implications of data element standardization is well done and properly stressed. Among other things, reference is made to the possibility of using the computer to translate from one indexing standard to another. Again, this is a problem often subjected to oversimplified "solutions."
- o Para. 3.17--While the issue of whether to automate an activity should certainly undergo rigorous analysis by, among others, the CISO, let no one underestimate the difficulty of this process or suggest that mere improved "managerial techniques" can readily overcome the associated problems.
- o Para. 3.21--The implication of this paragraph appears to be that all ADP proposals will be reviewed by the CISO. If so, we submit that this organization would need a staff far in excess of the "High Intensity" level of the 15 proposed for its Information System Analysis Division. Presumably, such reviews will have to be limited to systems exceeding a certain anticipated funding level.
- o Para. 3.23--Some reference should be made in this section of the report to the on-going CIA Executive Advisory Group's review of ADP systems. The paragraph should not suggest that top management has given no attention to the costs of ADP systems and resource competition in this area.

- o Para. 3.25--This is a most commendable recital of principles to guide Community information handling, which we fully support.

Annex A

- o Para. 1.2--We would suggest an addition to the last sentence of this paragraph stressing that some of the listed systems are not as yet operational. Until one examines the follow-on tables in some detail, this fact does not become apparent. We are also at a loss to understand why some of the largest and most significant production support systems are not included in the tables, e.g., the 3.1 million record AEGIS file and CIRC, while much less important systems are.
- o Table A-1--For the line entry starting with CIA/SAFE: change 1) "CIA/SAFE" to "SAFE"; change 2) "CIA/Support" to "Support"; change 3) "CIA" to "DIA/CIA".
- o Table A-1--Delete the line entry starting with DIA/SAFE.
- o Tab 2--The average age of Model 360/67 is listed as 1.2 years. The CIA 360/67 was installed in 1969. Recommend the average age figure be verified.

Annex B

- o General--This annex reviews some very practical aspects of the entire information handling issue. The tables on pages B-6-8 are useful as well. Much of Annex B, however, is either redundant or adds little to the report. Listing the COINS files, for example, does not convey much to the reader because the files are not described.
- o Para. 1.1--Reference should be made to other ways of sharing files than by electronic means.
- o Para. 1.4--This important paragraph might have gone on to point out that because of the unique characteristics of the different Community data bases, it is virtually impossible to design a single information handling system, including software and hardware, which will suit more than a few application areas. This applies to the SAFE/ADISS system as well as to projects of lesser magnitude.

- o Para. 1.6--In addition to the excellent point made about providing the necessary resources to an organization charged with fulfilling some Community information handling responsibility, one might add that users of such a system also need the assurance that if they cease and desist storing the same data themselves, the activity will be continued more or less indefinitely.
- o Table B-2--Information Services Staff is incorrectly identified
- o Para. 2.11--Dissemination controls are indiscriminately mixed with security classifications in a sentence near the end of this paragraph. Beginning with the words "SI Compartment," what follows should be described as some of the dissemination controls used in addition to security classifications.
- o Para. 3.5--We object to the use of the word "today" at the beginning of the 4th sentence. The information handling role of central reference services, at least in the CIA, has never been limited to the activities of the traditional library.

Annex C

- o General--This discussion of the CISO would be more useful if the CISO staffing estimate compared the current number of IHC staffers handling coordination efforts with at least the short-term personnel totals planned for the CISO. This could help in evaluation of the work cut out for the CISO in the first six months against what appears to be an underestimate of the manpower required to do the job. There is no identification in Annex C of the means by which the CISO manpower requirements have been estimated.
- o Para. 1.4: Fifth line - change "carry out" to "coordinate".
- o Para. 1.4: Ninth line - change "develop and use" to "establish requirements for, monitor the development of, and use".
- o Page C-2: Footnote - delete ", as defined in Annex d".
- o Figure C-2: Para. 2 under FUNCTIONS - change "To design and establish" to "To establish the requirements for and monitor the development of".

- o Figure C-4: It is not clear what the Contractor Support functions of the Community Planning Division are. It is believed they should be:
Coordinate planning for Contractor Support.
Coordinate contract monitoring and administration.
- o Figure C-8: Para 3 under FUNCTIONS - Change "develop" to "coordinate".
- o Figure C-9: The CISO includes a Security and Privacy Standards Branch, which presumably would function as a focal point for Community computer security policy and standards. The DCI Security Committee currently has a subcommittee devoted to the development of computer security policy. While it might be profitable to transfer this function to the proposed CISO, a move in this direction should not be pursued summarily, without detailed Community coordination. Such review might suggest the need for a computer security focal point in the CISO in addition to the functions of the DCI Security Committee in this area. However, if Annex C is sent to Congress, we urge that all reference to a computer security function in the CISO be deleted along with the identification of the Security and Privacy Standards Branch.

Annex D

We strongly recommend this Annex be eliminated from the report. In terms of authority to act, the new Executive Order provides such authority until a DCID can be coordinated within the NFIB community.

Annex E

This annex is redundant and too detailed. Paragraph 3.6 stresses user needs, an excellent point, but it could be removed and placed elsewhere.

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IMPROVED CENTRAL OVERVIEW OF AUTOMATIC DATA PROCESSING IN CIA

(Addendum to CIA submission for the Intelligence Community ADP Inventory for presentation to the Senate Select Committee on Intelligence, dated 19 September 1977.)

(FOUO) While ADP initiative is decentralized within CIA, so that ADP may best be directed toward local needs and weighed carefully against alternative methods to accomplish a component's assigned tasks, Agency management has taken significant steps this past year to improve central overview of ADP expenditures.

(FOUO) In a memorandum to the Executive Advisory Group (EAG) in December 1976, the DDCI asked the Comptroller and the Director of Data Processing to make joint recommendations with respect to two issues:

1. "What can be done to improve top management's ability to plan for future ADP resource requirements so that we may assure ourselves that the large ADP budget increases we are experiencing are in the overall interests of the Agency? How can the key ADP investment issues we face be brought forward for top management review so that we may establish guidance for the budget planning process?"

2. "How can we monitor current month-by-month use of the central services provided by the Office of Data Processing (ODP) in such a way as to ensure visibility to top management of the many demands being levied on ODP by Agency components and permit Agency-level decisions to be made on priorities when contentions for limited ODP resources arise?"

(FOUO) A joint paper was written by the Comptroller and the Director of Data Processing on the two issues. The EAG agreed in April 1977 to the actions they recommended, which were these:

1. The EAG will establish a deliberate ADP budget during the CIA program review, focusing broadly on the functional use of ADP and on major ADP investments--the key computer projects of Agency components that will spend over \$250,000 on ADP during the program year, ODP-supported projects which are expected to cost over \$250,000, ODP expansion plans, and important new projects identified by components.

2. During the operating year, the EAG will perform a thorough, systematic review of the cost effectiveness of all major projects which are currently supported by ODP's central services.

(FOUO) The Comptroller and the Director of Data Processing developed procedures to carry out the above recommendations. The following events have since taken place:

1. An Agency ADP budget was prepared by the Comptroller and included (for the first time) within the proposed 1979 Agency Program Plan. In June 1977, the EAG addressed the issues identified therein and agreed upon ADP funding levels.

2. In December 1977, the EAG began reviewing individually the 21 major projects supported by ODP on behalf of Agency components, to evaluate these uses of ODP's resources within its 1978 funding level. The EAG was provided a Project Decision Form for each project, containing a project description and statements of its objectives and benefits—to weigh against estimated resource requirements.

(FOUO) Both of these EAG actions have resulted in increased control of ADP growth by top management. They have caused managers at every level to plan their use of ADP with improved focus on cost effectiveness. The effort represents high-level managerial attention to computer use which is, to our knowledge, unique in Government.